(b) what is the production capacity, the target of production of each plant for the year 1989-90 and also the actual production recorded; and

(c) what is the rate of growth as well as rate of consumption of cement during the last one year as compared to the previous year?

THE MINISTER OF INDUSTRY (SHRI AJIT SINGH): (a) and (b) The required information is given in the statement enclosed [*See* Appendix CLIV, Annexure No. 101].

(c) The rate of growth in cement production during 1988-89 was 11.87% and during 1989-90 was 2.72% over the corresponding previous year. Consumption has grown similarly.

Memorandum from ASSOCHAM for the promotion of Industry

2097. SHRI MURLIDHAR CHANDRAKANT BHANDARE:
SHRI SURESH PACHOURI:
SHRI MAHENDRA PRASAD:

Will the Minister of INDUSTRY be pleased to state:

(a) whether the Associated Chambers of Commerce and Industry in a memorandum dated the 13th May, 1990 has urged Government to take various steps to promote industry while ensuring a balanced industrial development of the country;

(b) if so, what specific proposals were made in the memorandum; and

(c) what is Government's reaction thereto?

THE MINISTER OF INDUSTRY (SHRI AJIT SINGH): (a) to (c) The Associated Chambers of Commerce and Industry of India (ASSOCHAM) have informed that they did not submit any memorandum to the Government on 13th May, 1990. The ASSOCHAM have, however, stated that a publication titled 'Deregulation: Forward March' was submitted (date not mentioned) by them to all Ministers dealing with economic issues as also to the different Secretaries of the Government of India. In this publication the ASSOCHAM, while taking note of liberalisation measures taken by Government, have observed that in aggregate terms, industrial sector performed better in 80's in general and late 80's in particular, compared to 70's and 60's. However, to further promote the Industry, the ASSOCHAM have made the following main recommendations in this publication:—

There is need to raise the threshold limit of MRTP houses to Rs. 500 crores. The rules and regulations for substantial expansion/product diversification of MRTP companies and for Non-MRTP/ Non-FERA companies should be simplified to avoid delays. Foreign equity should be allowed to be raised to 51% from the present 40%. Foreign equity upto 40% should be automatically permitted. For MRTP and FERA companies there should be a list of industries to which entry is banned and there should be freedom regarding the rest. Upper limit for non-MRTP/non-FERA companies should be raised to Rs. 75 crores on a uniform basis. Licensing should be made automatic if an undertaking's investment has an import content of less than 15% or there is a value addition of atleast 25 per cent. The concept of single window clearance should be adopted and put in practice. DICs should be made single window clearance centres for small scale units at the district level. An undertaking may be considered dominant, only if capacity or actual production or market share is more than one-third of the total and not one-fourth as at present. Sections 21, 22 & 23 of MRTP Act should be deleted to speed up growth. To encourage units to reach economic size, dominant undertakings should have assets not less than Rs. 25 crores. Sick or non-viable units should be allowed to exist.

Policy changes to promote the Industry is a continuous process and measures to promote the industry are taken from time to time to meet the changing requirements of the economy.

Incentives to industrial units under the Scheme for Growth Centres

2098. SHRI SURESH PACHOURI:
SHRI MAHENDRA PRASAD:

Will the Minister of INDUSTRY be pleased to state:

(a) what are the incentives and fiscal concession granted to industrial units to be set up under the scheme for growth centres and how the same compare with the incentives earlier given under industrially backward areas development scheme; and

(b) what are the criteria followed for locating growth centres in different parts of the country and how the same compare with the criteria followed earlier to identify industrially backward areas for grant of incentives under S.80 HH of the Income-Tax Act?

THE MINISTER OF INDUSTRY (SHRI AJIT SINGH): (a) Under the new growth centre scheme, the selected growth centres will be entitled to all incentives available from time to time for centrally declared Category 'B' backward areas. In addition, the growth centres will be provided with infrastructural facilities of a high order to act as magnets for attracting industries to backward areas.

(b) Identification of industrially backward areas for the purpose of incentive schemes was done on the basis of guidelines given by the Planning Commission which *Inter-alia* included per capita foodgrains/Commercial Crops production as the case may be, ratio of population to agricultural workers, per capita industrial output, number of factory employees per lakh of population and per capita consumption of electricity.

Allocation of growth centres among States/UTs under the new scheme was done on the basis of area population and industrial backwardness. Actual locations of these growth centres are being decided keeping in view the distance criteria, proximity to District/Sub-divisional headquarters etc. and access to basic infrastructural facilities like National/ State highways, railheads, Power, Water Supply, telecommunication, health and educational institutions etc.

2099. [*Transferred to the* 29th *May*, 1990]

Industries not open for foreign investors

2100. SHRI SANTOSH BAGRODIA: Will the Minister of INDUSTRY be pleased to state:

(a) what are the industries which are not open to the foreign investors; and

(b) which are the areas where foreign investment is welcome?

THE MINISTER OF INDUSTRY (SHRI AJIT SINGH): (a) and (b) Government's policy with regard to foreign investment is selective and is based on national priorities. Foreign investment is permitted in sophisticated and high priority areas, in export oriented or import substitution manufacturing or for enabling indigenous industries to update existing technology to attain effeciency and competitive strength. Foreign investment is regarded as a vehicle for transfer of technology.

India's foreign collaboration policy has a substantial degree of flexibility and direct investment within this broad framework is welcomed.

There is an illustrative list of industries where no foreign collaboration, financial or technical is normally considered necessary. Requests for collaboration in these industries are generally not allowed unless these are justified with reference to the technology involved, availability of indigenous technology, potential for export earnings and the like. An illustrative list of such industries is attached as Statement.